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HUD Challenge

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Mayors review and comment on the results of their cities' Planned Variation programs.

COVER: The artist's conception of the fast-talking land salesman.

looking ahead

The Future House

The Reynolds Metal Company is in the process of building "the first home ever to be constructed from recycled materials," reports the AIA Journal. "The aim," said the Journal, "is to demonstrate the feasibility of using recycled materials in residential construction. . ."

Another prediction for "the house of the future" comes from Richard L. Martin, housing economist at Stanford Research Institute in Menlo Park, Cal. The house Mr. Martin envisions, in use within 20 years, would consist of a central steel frame with standardized components fastened to it, such as walls, floors, roofs, wiring, and plumbing. Starting with the same basic frame, builders could devise homes of almost any size, architectural style, and price by varying the components. "When somebody wants to build a house," says Mr. Martin, "he might go to a factory to select his component—just like a housewife today goes to the supermarket to buy food when she wants to cook a meal. . . All the ingredients are there, and depending on your budget and your tastes you could put together any kind of home you wanted."

"Land Banking"

Some communities are adopting "land banking"—acquiring land for future use—as a means of planning and controlling development in the inner city. Long practiced in Sweden and other European countries, land banking, according to John W. Reys, professor of city and regional planning at Cornell University, is a means of controlling urban development and getting contiguous development. Milwaukee, Wisconsin, for example, through its municipal land bank was able to provide in the inner city enough contiguous land for a factory that otherwise would have built its plant elsewhere. Although land in the suburbs was cheaper, the factory's management said there was advantage in having the factory where labor is already accessible and not having "to drive to the other side of town to get to work."

Design for the Handicapped

To be available in late 1974, the American Society of Landscape Architects Foundation will develop a comprehensive guidebook of data on the design of outdoor facilities usable by the handicapped. The Foundation's task, contracted by HUD's Office of Research and Technology, will include a census of persons hampered by

their disability in using outdoor facilities. They will be categorized by age groups, the nature of their handicaps, the extent to which it impedes their mobility, and their relationships with the physically healthy in the same environment. The design and planning solutions for facilities and layouts are then identified for each type of handicap. In addition to the census, the Foundation staff and consultants will identify existing outdoor facilities that present problems, those that have been designed for people with and without infirmities, and those that can be altered to suit the needs of the handicapped. The Foundation will also review HUD's Minimum Property Standards and recommend improvements to enlarge their scope to accommodate the handicapped.

The project is part of an effort to create a more usable and comfortable outdoor environment for the handicapped who outside of their homes face a civilization geared almost exclusively to the needs of the physically sound.

Changing Role of Women

With a HUD research grant of \$50,000 the American Society of Planning Officials will examine the relationship of community and neighborhood planning to the changing role of women in American Society. The study—unique in scope—will seek to determine whether current planning practices present an erroneous view of communities by failing to consider the rapidly changing role of women within those communities. ASPO will rely heavily on exploratory and interpretive papers commissioned by leading women authorities in the fields of planning, citizen participation, the social sciences, and women's rights.

Second Homes Study

November 1973 has been set for the completion of a study of the growing trend toward development of recreation and leisure homes, which HUD and the Council on Environmental Quality have commissioned the American Society of Planning Officials to make. The study will also cover Federal, State, and local provisions to insure that such development does not destroy the environment, and recommend improvement in the system of institutional regulations. It will develop methods by which localities can project the impact of proposed leisure homes developments. The Urban Land Institute and the Conservation Foundation are supporting the ASPO project and the HUD Office of Interstate Land Sales will help monitor it.

The State's Role is Paramount in Interstate Land Sales

By George K. Bernstein

Regardless of the present role of the Federal Government in safeguarding interstate land sales, it is the tone of regulation at the State level that will ultimately determine the direction that developers and salesmen take in their day-to-day dealings with the consumer.

Much public attention in recent months has been focused on abuses in the area of interstate land sales, primarily the result of a stepped-up campaign by the Office of Interstate Land Sales Registration (OILSR) in HUD. Such scrutiny is long overdue. When I was asked a year ago to take over the job of OILSR Administrator, the mandate was clear: OILSR, on an aggressive enforcement basis, should take all necessary and appropriate action to implement fully the disclosure and public protection program envisioned by Congress when it enacted the Interstate Land Sales Full Disclosure Act in 1968.

We have sought to protect the consumer to the fullest extent possible under a Federal law primarily directed toward disclosure rather than substantive requirements. But early in my review of the Act and HUD's responsibilities under it, I became convinced that we could maximize public protection in either of two ways: First, through massive revision of the 1968 legislation, we could convert our function to that of fullscale regulation, requiring substantiation of all developer claims and promises and strict control of salesmen and advertising practices. Or, second, we could strictly and vigorously enforce the existing law, with the hope of educating the public to the point where it could protect itself, given the assistance of the Federal Act and a strong State regulatory role.

I rejected the first option on the ground that it was both undesirable and unrealistic. Another massive bureaucracy in Washington would have been required to carry out a full regulatory function effectively, and the avoidance of such costs in dollars, manpower, and duplication of State responsibility was an obvious necessity.

I decided instead to awaken the interest of the public and the media through a public information campaign and case-by-case enforcement of the Act, since only an informed, aware, and wary public can be adequately protected. Our stepped-up campaign, including numerous suspensions and several indictments and convictions in addition to our nationwide public hearings, has succeeded to a great extent in creating an awareness of potential land purchase problems on the part of the consumer—problems, tragically, previously appreciated by all too few.

The honest and reputable developer has nothing to

fear from this activity. Indeed, it is to his ultimate benefit that those who would mislead and defraud the public be weeded out of the industry.

However, as we continue vigorously to enforce our statute, we are becoming more and more aware of its basic limitations. Public hearings and recent complaints are bringing to our attention recommendations for significant changes in approach. Of course, we will not take or recommend drastic action without taking all aspects of the problem into consideration. But one thing is already abundantly clear. The Federal Act can never be fully effective, and the interests of consumers cannot be adequately protected, unless the States play a stronger role in the regulation of interstate land sales.

The State Role

If we are to avoid the unnecessary and unrestrained growth of 50 mini-bureaucracies throughout the States or one super-bureaucracy in Washington, we must strive toward greater uniformity and simplification of State laws governing interstate land sales regulation. Not only must the consumer be well informed and well protected in his entire transaction but he must not be confronted with a mountain of redtape produced by government—State or Federal—when he makes his purchase or when he seeks redress of his grievances.

Dual standards and conflicting and confusing legal requirements at the State level will not do. If the patterns of State law that evolve serve only to overburden the honest developer without really protecting the consumer, the call for Federal pre-emption will come from both sides. We neither want nor need the massive Federal agency that would be required to regulate the land sales market exclusively from Washington. We need strong, intelligent, and coordinated action at the State level, and there are certain specific remedies that the States must take if they are interested in truly protecting their citizens and in avoiding Federal pre-emption in the area of interstate land sales.

Proposals for Uniform State Regulation

In this regard, I offer the following recommendations:

1. States should accept developer filings made with the Office of Interstate Land Sales Registration (OILSR) in satisfaction of basic State disclosure requirements, subject to specific additions that a given State might require. This would not only free State personnel for closer scrutiny of developer's day-to-day operations, but would also assure the development of uniform information for the consumer and make developer compliance more efficient, economical, and timely.

2. State laws should be revised to eliminate dual standards that confuse and potentially mislead the consumer. Forty States have some form of consumer protection land sales legislation, but many States apply the law differently, in whole or in part, to in-state and to out-of-state developments.

3. States should adopt consistent standards for the qualification of inspectors and the inspection of developments. If such standards were implemented, a State with pre-registration inspection requirements could either initially or conclusively accept the results of another State's inspection. Thirteen States have inspection requirements today, and sixteen others have the right to inspect on a discretionary basis. If some uniformity cannot be brought to this system, and if inspector qualification and inspection standards are not realistic or cannot be enforced effectively, then all State pre-registration inspections ought to be ended. Conflicting inspection results and a less-than-comprehensive inspection process serve only to confuse and mislead the purchaser of land and induce misplaced reliance.

4. Effective subdivision control laws should be enacted by all States on a relatively uniform basis. Approvals by the State or locality of plats, roads, sewerage, and arrangements for utilities and other improvements are vital from both communities' and consumers' viewpoints. These should all be enforced prior to the sale or lease of lots. Such laws, however, should not be so stringent as unreasonably to preclude an individual land investor from dividing a small tract into a small number of parcels suitable for building.

5. The State in which a development is located should require the developer to demonstrate his financial ability to complete promised amenities, by either a performance bond or an escrow account posted with the State regulator or other appropriate depository. If the State where the development is located has an adequate requirement of this nature, other States should arrange to recognize it and credit it toward the fulfillment of any financial performance obligations they impose on developers.

6. Strict licensing of salesmen and vigorous enforcement of consumer protection sanctions are necessary to eliminate those salesmen who have no particular affinity for the truth. States should also develop an information exchange network to disseminate rapidly a notice that a State has suspended or revoked a license or that it has cited a salesman, developer, or development for fraudulent or misleading sales practices.

7. In connection with any form of sales promotion, the use of any investment opportunity "pitch" should be

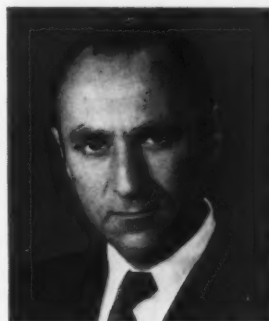
prohibited unless the assertions are limited to statements concerning actual and demonstrable increases in the true market value (rather than merely in the developer's asking price) of similar property in the same area over some specified period of time in the immediate past.

8. States should adopt uniform sales contracts and registration forms. The purchaser is entitled to this protection. Such uniformity would not only lessen confusion on the part of consumers trying to make a reasonable comparison among developments in different States but also facilitate developer compliance and the exchange of relevant information among State regulators.

State-Federal Cooperation

The States and the Federal Government must work together and each do the job that is best suited to its abilities and statutory responsibilities. The hearings that OILSR held throughout the country indicated many ways in which the Federal law, regulations, and procedures could be improved; and there were clear indications that HUD's emphasis may have to switch from pure disclosure to more substantive regulation unless the States act to fill the void. There are calls for Federal regulation of land sales advertising, for Federal escrow and bonding requirements, for federally established uniform sales contract provisions, for Federal pre-registration inspection, and for other new and pervasive supplementary and pre-emptive Federal roles.

It is doubtful that comprehensive consumer protection in land sales can be achieved without additional Federal legislation. But the Federal role should not be expanded beyond that which is absolutely necessary. The degree of Federal regulation in this area will ultimately depend on whether the States are willing to live up to their responsibilities by adopting more adequate, effective, and uniform regulation while there is still time. ☛



As Interstate Land Sales Administrator, Mr. Bernstein has responsibility for carrying out the 1968 law requiring registration of subdivisions involving the sale of unimproved lots in interstate commerce.

Interstate Land Sales: The Problem and the Law

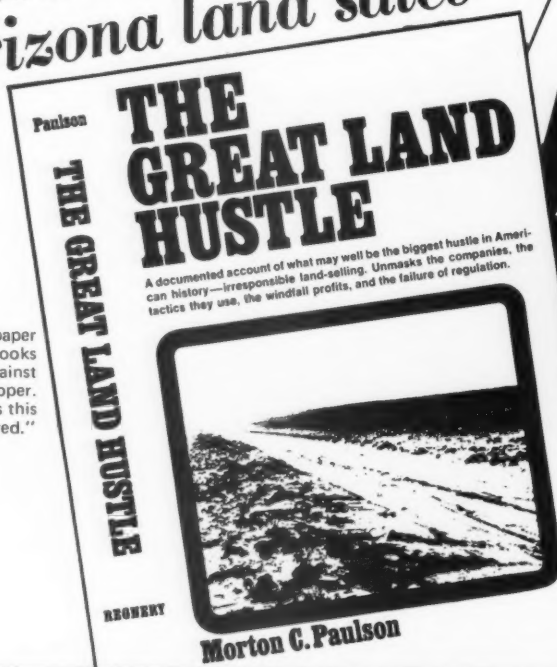
The land boom in this country originated, it has been said, with letters Christopher Columbus sent to Ferdinand and Isabella. Whimsical historians also like to point to George Washington as one of our earliest developers, even though the lots he sold in Virginia didn't necessarily bear the label, "George Washington slept here."

But the impact of Washington and Columbus on future Heavenly Havens is, at best, speculative and, at the very least, belated, since the boom didn't really develop until the 'twenties. It flickered out during the Depression years, only to come roaring back in the last 20 years.

The big push, stemming from the almost universal urge to own land, was given impetus by an industry which by no means was simon pure. Its members ran the ethical gamut from strictly legitimate developers to the con man who can sweet talk the Little Old Lady from Shamokin, Pa., out of her tennis sneakers. The object of their affection was the consumer—the prospective purchaser. He could be a senior citizen in search of a retirement home, a soldier planning his future, or he may

ARTIZONA REPUBLIC 3/2/73
**9 indicted for mail fraud
in Arizona land sales**

Across the Nation, newspaper headlines, magazines, and books sound a warning to the public against the unscrupulous land developer. Administrator Bernstein adds this word of advice: "Buy Scared."



belong to any age group interested in buying property as an investment.

The stakes were not penny ante. In 1963 the volume of land bought sight unseen was estimated at \$500 million. Next year it rose to \$700 million, and by 1967 it soared to \$1 billion. Today it's a \$6 billion industry. And nobody knows for sure how much of this is land sold over the telephone or through the mails.

As the buying fever spread, so did the stories describing the plight of thousands of victims who were duped into buying land which turned out to be suitable either for crocodiles or camels. Had they tried to live on it, they would have had to cope with the prospect of drowning, or the equally distasteful odds of dying from thirst.

In some places sold to unwary buyers, the heat was so intense and the water so scarce that jackrabbits were said to carry canteens.

Legislation Enacted

Testimony along these lines in 1968 led to passage of the Interstate Land Sales Full Disclosure Act. Prior to

that time, some roadblocks could be thrown up against unscrupulous salesmen and developers, including action by the Post Office Department, the Securities and Exchange Commission, or regulation by the several States. But enactment of the Act, and creation of the Office of Interstate Land Sales Registration (OILSR) to administer it, offered more basic protection for the consumer. A description of the Act and how it operates, in layman's terms, follows:

In general, the Act covers "lots" in a "subdivision." Basically a subdivision is "land which is divided or proposed to be divided into 50 or more lots... for the purpose of sale or lease as part of a common promotional plan."

Individual parcels need not be contiguous—and may be separated by many miles—so long as they are offered as part of a common promotional plan.

There are some specific exemptions, but these apply to developments where all of the lots are five acres or more in size, and to those where there is a residence or

THE NEW YORK TIMES, SUNDAY, NOVEMBER 26, 1972

Land Fraud Target of U.S. Crackdown

Chicago Tribune, Sunday, March 25, 1973

**Buyer beware
—out-of-state land
seldom Shangri-la**

THE DETROIT NEWS—Friday, October 6, 1972

HUD investigators praise state's tough law

NEWSDAY, Saturday, March 12, 1973

**The Great Land-Sale
Business: Promises,
pitfalls**

contract to construct a building within two years.

A crafty developer may say the Act doesn't apply to him because his property is not part of a common promotional plan. This is an escape hatch which can be closed. He could get by with this maneuver only if it is demonstrated that he did not do so for the deliberate purpose of evading the Act.

The Act does not preempt the role of the States in regulating sales. In fact, HUD accepts data filed and declared effective by California, Florida, New York, and Hawaii, eliminating the need for duplicate filing with the Federal Government.

Section 1404(a) makes it "unlawful for any developer or agent, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce or of the mails" to sell property in violation of the Act.

In addition to the mails, that language covers the use of the telephone, railroads, and airplanes.

Section 1404(a)(1) makes it illegal for the developer to use any of the above instruments unless a "statement of record" is in effect, and a property report issued to the buyer.

The property report, in essence, must "tell it like it is," not what the developer thinks or hopes it may be in the next 10 or 20 years.

"Statement of Record"

The Statement of Record requires disclosure of all data pertinent to the property. If no deficiencies are disclosed after examination, it becomes effective on the 30th day after it is filed with OILSR, or earlier if declared so by HUD. (This does not constitute HUD approval of the property, and the Regulations require that the property report bear a legend disclaiming HUD approval.)

A sale can't be consummated until the statement of record is in effect. Also, if the buyer isn't given a copy of the property report he may void the sale. If he gets the report less than 48 hours prior to signing a contract, he can revoke his obligation within the next 48 hours. This right may be waived if the buyer acknowledges that before signing he had read and understood the property report and inspected the lot.

The statement of record must be kept up to date. If it isn't, HUD can suspend the developer, barring sales during the period of suspension.

A developer can engage in promotional activity before the statement of record takes effect, but a binding contract cannot be legally signed before that time, and before the property report becomes available.

The developer also has to be careful with his advertising. The anti-fraud section of the Act applies to all oral and written misrepresentations prior to the sale. Besides, to the discerning buyer an alluring sales pitch should be more than offset by the cold black and white facts in the property report.

Consumer Protection

Through what has been called "the seductive poetry of salesmen," some contracts are made orally, with a simple handshake between charming developer and charmed buyer. But here the buyer is protected—if he writes a check in payment of the property. The check can be construed as evidence of a signed agreement and the contract, to be legal, must be preceded by the property report.

Violations of the Act may expose the developer to a host of sanctions—administrative, injunctive, civil, and criminal. Those convicted may be sentenced to five years and up to \$5,000 in fines.

The purchaser who has been cheated can sue in either Federal or State court and can win damages under the Act as well as punitive damages based on common law. In one respect the Act goes beyond common law. It can hold a developer responsible even if he is unaware that he has filed an inaccurate statement of record.

Interstate Land Sales Office

Although the Act is still in its infancy, the Office of Interstate Land Sales has added more muscle and clout since the appointment of George K. Bernstein as Administrator in March of 1972.

A tough-minded lawyer, Bernstein served as Assistant Attorney General and First Deputy Superintendent of Insurance for New York State before coming to HUD in 1969 as Federal Insurance Administrator, a post he still holds along with his duties in supervising OILSR.

Through March of this year six companies have been indicted for violation of the Interstate Land Sales Full Disclosure Act. Three were convicted. Of the remaining three, one skipped town, and action is still pending against the other two.

Last year the Administrator held public hearings in 17 cities for the twin purpose of allowing the public to voice its complaints, and to evaluate the need for regulatory and legislative changes in the Act.

The hearings helped to develop a high degree of visibility for the program, giving HUD the opportunity to create a greater public awareness of the Act and its remedies, and also alerting the public to the pitfalls awaiting the unwary buyer.

Last year, as part of OILSR's stepped up campaign, almost 200 developers were suspended, most of them for failing to comply with the regulations, some for filing inadequate information.

Bernstein has no idea how many developers are still operating outside the law, but his volume of mail is running to 1,500 complaints and inquiries monthly—triple the number of letters received at the time he assumed office—indicating the campaign is paying off.

Even at this stage, Bernstein is well on his way to changing the old maxim, "Caveat Emptor," to "Caveat Venditor."

That means, "Let the Seller Beware."



Alternatives for Rural America

By Stephen Butler

The substandard housing conditions of rural America have been well documented in the past few years. It is almost commonplace that non-metropolitan areas, with only one-third of the population, have almost half of the inadequate housing. Unfortunately, the distance between documentation of this situation and an adequate response to it is great.

To be adequate, any response must consider two separate problems: management of low-rent housing in rural areas and production of that housing. One solution which can address both issues is the creation of regional housing authorities or cooperative management agreements. The Housing Assistance Council has considered these alternatives and researched their possible applications in rural areas.

As part of its study, the Housing Assistance Council examined the failure to develop needed housing in rural areas and concluded that it is largely due to the lack of competent and aggressive mechanisms necessary for the development of housing—whether the mechanisms are nonprofit or limited dividend entrepreneurs or local hous-

ing authorities that are usually associated with urban areas. There is in rural areas a severe shortage of all types of housing sponsors that initiate and carry out housing development—whether privately financed or publicly subsidized.

The low-rent public housing program illustrates the need. It is the only housing program that consistently serves very low-income people—poverty level people. While rural areas have more than their share of poverty, a 1971 study by the Housing Assistance Council and the Rural Housing Alliance showed that almost half of the Nation's counties, most of them rural, had no public housing at all. Non-metropolitan counties, this study showed, have 44 percent of the inadequate housing, 44 percent of the poverty population, but only 22 percent of the public housing units under Annual Contributions Contract.

There are a number of reasons for this situation. For one, suspicion of Federal programs is widespread in the Nation's small rural communities. Another reason is simply the lack of local impetus, often stemming from a lack

of information. Yet another is the fear of becoming involved with what appears to be a complex undertaking. But while these are all barriers to the development of public housing programs, they are not insurmountable.

Normal civic pride and the desire to prevent further deterioration is usually sufficient to overcome suspicion and apathy once the facts about the program are known. If the complexity of the undertaking is the problem, it may be solved with training programs and technical assistance. The Housing Assistance Council has been providing this. Only in those communities which display a complete disregard for the housing needs of the poor can nothing at all be done. However, while an aggressive program of education and technical assistance can result in the creation of low-rent housing programs in many small rural communities, the problem is far more complex than this.

Small Authority Problems

There are thousands of small rural communities. Should each one be encouraged to undertake its own low-rent housing program? The inadequacies of this approach are apparent in terms of time, available administrative personnel, and overhead costs. Just last year HUD made available a management guide (HMG 7401.6, "Consolidation and Cooperative Agreements for Small Low-Rent Housing Programs," April 1972) which identified a number of problems with small public housing programs. ("Small" is usually defined as having less than 100 units under management.) These were, generally, the inability to attract and retain competent full-time staff, financial instability, poor accounting records and reports, inadequate maintenance, and high rent delinquencies. The expressed concern of the HUD circular was that "... the operational units may be too small to be efficient." A hastily thought out attempt to encourage low-rent housing programs in rural areas with these problems would probably cause more problems than it solved.

We thus are faced with the related needs of bringing more low-rent housing into rural areas in such a way as to avoid the proliferation of small local housing authorities, and of encouraging greater organizational efficiency in existing small programs. HUD has seen this, and in the previously mentioned guide it put forward a number of organizational alternatives, including regional housing authorities and cooperative management agreements, which could serve to improve both the production and the management of rural public housing.

The regional housing authority is a single authority created for two or more counties. It has a single board of commissioners, at least one commissioner appointed by each participating county, a single administrative staff, and a single Annual Contributions Contract. Seventeen States now allow this type of authority, and about 25 exist, though not all of these have units under management. Some States also allow "consolidated" housing authorities, which are organized along the lines of a

regional authority but which include all small local authorities—municipalities and counties.

By far the most commonly used alternative is the "cooperative management agreement" between two or more housing authorities, city or county, which is permitted in practically every State. Under this type of arrangement, two or more authorities agree that one provides the services and is reimbursed by the other while each retains control of its units and makes its own policy decisions. Like the regional authorities, cooperative agreements usually include a single administrative staff serving a number of localities. But unlike the regional authorities, localities participating in cooperative agreements retain their own boards of commissioners and their own Annual Contributions Contracts.

In an attempt to see just how well these alternatives were working, and in order to build a body of information to be passed on to other rural groups, the Housing Assistance Council undertook an investigation of three regional housing authorities, three cooperative management agreements among small authorities, and one statewide authority. Our findings were interesting and encouraging.

Findings

In anticipation of a more detailed report now being assembled, there are a few general observations which can be made here:

1. The rural regional housing authorities and combined management operations visited are all strong institutions providing low-rent housing in small communities where no alternatives are feasible. Communities of 1,000–2,000 population are provided with five to 15 units, at a high level of efficiency that Area and Regional HUD officials (based on a Housing Assistance Council poll) feel would be unlikely otherwise. The leasing program offers even greater possibilities. In Vermont, for example, through the leasing program the State Housing Authority is able to provide a very small rural town with a single unit of public housing.

Many of these authorities have encouraged a number of additional small towns to participate in the program. They have not done this through "hard-sell," because this was not necessary. The success of their existing projects has been advertisement enough, and this has been supplemented by a willingness to answer any questions put to them by interested communities. At a time when rural out-migration is a matter of some concern, these contributions to the development of small town America cannot be ignored.

2. While dollars and cents savings are not apparent in per unit costs, interviews show that Area and Regional HUD officials feel that these authorities are getting more value for the dollar, and that cost savings do accrue in the long run. For example, the ability to provide timely and preventive maintenance, an ability often lacking in small authorities, will save money. In terms of HUD's financial

contribution, improved quality and decreased turnover among the staffs of small authorities would be economic. The low levels of competence and high turnovers of many small authority personnel directly affect the amount of time that must be spent on educating new executive directors and solving problems—all of which add to costs.

It seems logical that it would be easier for HUD staff to deal with the problems of one authority than to deal with those of a dozen. Small authorities often demand as much attention as those many times their size.

3. There exists in rural areas what can be called an "institutional gap," especially in the area of community development. The agencies we now take for granted in larger urban areas, such as renewal agencies or water and sewer authorities, are scarce in small towns. But a movement toward regionalization is developing, and regional authorities have broadened their scope to include a number of projects other than low-rent housing. In Georgia, one consolidated authority has a successful urban renewal program in a town of 16,000, and in Mississippi a regional authority is actively participating in the development of water and sewer facilities. These types of authorities are

potential instruments of rural community development in the broadest sense.

4. Most of the regional authorities have housing units dispersed over large areas. One South Carolina regional authority comprises a third of the State, while another in Mississippi covers 100 miles between its offices and its outlying project. Although distance does cause some problems, it has been dealt with fairly effectively. It is noteworthy that each of the authorities visited in this survey has developed its own unique methods of managing and maintaining housing units over large distances. There are now enough options or models available to excite the interest of existing or newly formed authorities and communities thinking of starting a low-rent program.

Conclusions

Convinced of the advantages involved, in the past year the Housing Assistance Council has aided in the formation of three rural regional housing authorities by providing technical assistance and interest-free loans for initial operating expenses. While the concentration of regional housing authorities is now in the Southeastern part of the country, the Council's efforts have been applied also in Ohio, Michigan, and Minnesota. Additionally, in 1971, the Council sponsored a training conference in which rural groups from throughout the country discussed with HUD officials and other rural housing specialists the merits of regional housing authorities and cooperative management agreements. These activities will be continued and, we hope, expanded in the coming year.

At a rural development conference held recently in Minnesota, Governor Wendell Anderson of that State made a number of interesting comments. One is particularly worth quoting here:

"... Unless we begin to think in regional terms in outstate Minnesota we are in great trouble. . . No one municipality, no one town, no one county has the means to create programs adequate to its own needs, much less to the needs of the areas that surround it and are affected by it. . . Localities in a region must be willing to join with one another to plan and create those programs which heretofore have been practical only for the metropolitan area."

If we are intent upon making rural areas into real alternatives to the Nation's overcrowded cities, we must recognize that any approach to rural community development must begin with efforts to create the basic administrative structures necessary to carry out housing and community development programs effectively. The broad-jurisdiction rural housing authorities described here are at least one step in this direction.

Mr. Butler is research director of the Housing Assistance Council, a Washington based nonprofit organization that provides technical assistance, training, and "seed money" loans to stimulate development of housing in rural areas.

APPENDIX

Types of Authorities Permitted Under State Legislation

The public housing laws in most States are flexible enough to allow considerable leeway in creating a housing authority that will fit local needs. Even if a law does not provide specifically for regional (two or more counties) or consolidated (two or more municipalities) authorities, it most likely allows cooperative development and management agreements between any two or more authorities. Such cooperative agreements are now widely used to combine the operations of a number of individual county or city housing authorities.

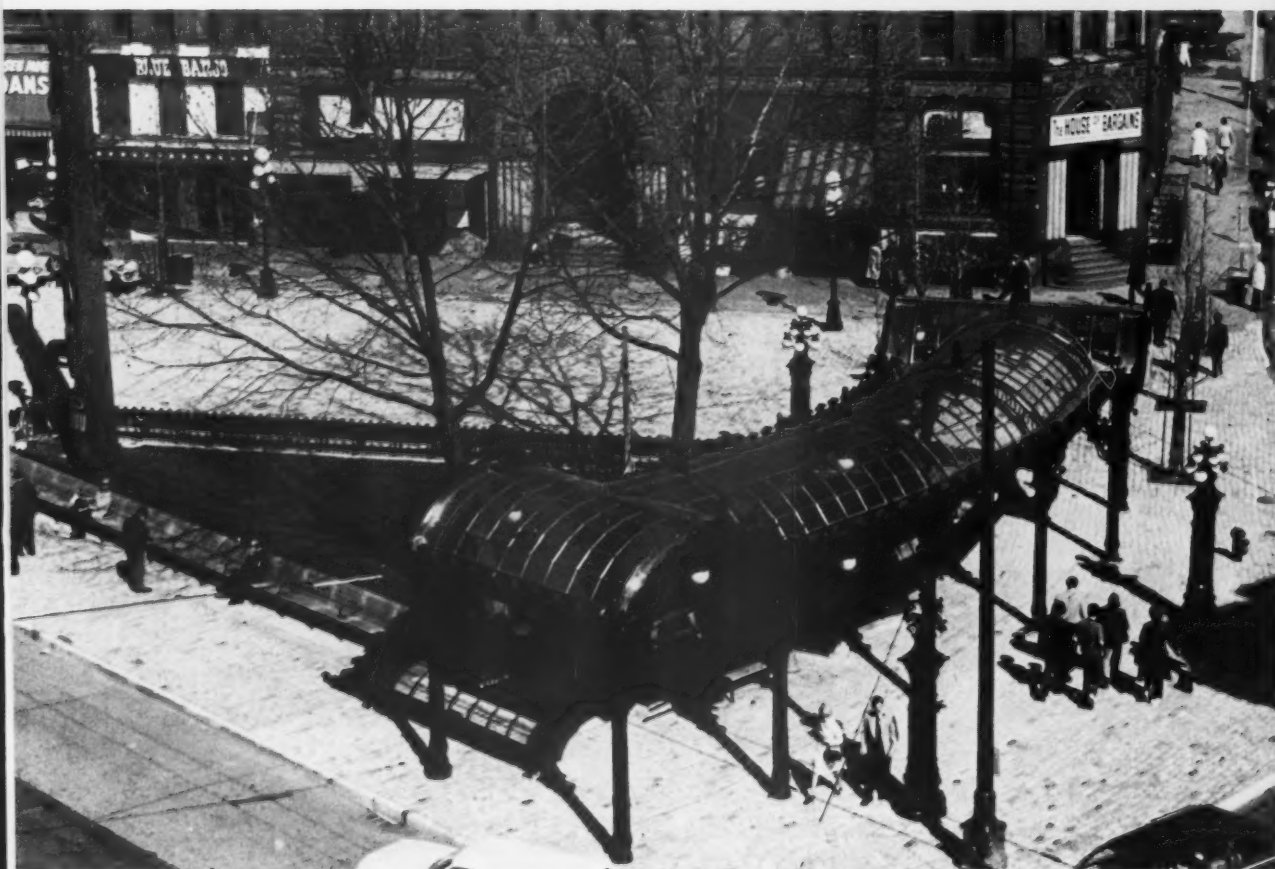
Type of Authority	State
State	Alaska, Del., Hawaii, Idaho, Maine, S.C., Vt.
Regional	Ala., Ark., Cal., Fla., Ga., Ill., Ky., La., Minn., Miss., N. Mex., N.C., S.C., Tenn., Tex., Va., Wyo.
Consolidated	Ala., Ark., Ga., Ky., La., Miss., N.J., N.C., S.C., Tenn., Va., Wyo.
County	All except Alaska, Conn., Del., Hawaii, Kans., Maine, Mass., N.H., N. Mex., N.J., Ohio, R.I., Vt.
Municipal	All except Alaska and Hawaii
Cooperative Agreements	All except Alaska, Del., and Hawaii

Earlier this year, the Housing Assistance Council polled Housing Services and Property Management sections of HUD Area Offices to determine the minimum number of low-rent public housing units considered necessary for an efficient program. One question asked was: "Based on low-income housing experience in your area, what is the minimum number of units that an authority can operate and still be considered 'efficient?'"

No minimum	Number of Units						
	50	60	75	100	125	150	200 250
Number of Responses							
3	3	1	2	11	1	1	1 2

Preserving Pioneer Square in Seattle

Seattle Historical Society photo



The idea of historic preservation in Seattle is surprising to many people. The city's history is short, even by American standards, yet it is rich and colorful, and rather unique.

It was 225 years after the Dutch settled New York that the first white man set foot on the shore of Puget Sound. In fact, the settlers of 1851 named their log cabin settlement "New York Alki," using the Indian word for "by and by," or "pretty



LEFT—Pioneer Square is shown as it looked in 1913 and looks today. Pioneer Building is in the background. BELOW—A shopper rests under the pergola in Pioneer Square Park. The pergola is being restored to its 1910 condition.

soon." Fortunately, the name did not catch on; Seattle has not become a New York even after two centuries.

But Seattle did become a lumber town. A lumber town needs a sawmill, and pioneer Henry Yesler was given a choice slice of central waterfront property for that job. So steep was the road from the hills to the mill that the logs were simply skidded down to the awaiting sawblades. Yesler Street became known as "Skid Road," a term which later came to symbolize the neglected neighborhood and its underprivileged residents. Other American cities later borrowed the term to describe their most depressed and down-and-out neighborhoods.

Disaster Means Starting Over

In 1889, disaster struck Seattle. The entire downtown area burned to the ground in one day, and Seattle had its first taste of urban renewal. Miraculously, no one was killed, but 120 acres of the waterfront were destroyed. Damage was estimated at over 10 million dollars. There was nothing to do but clear the rubble and start over.

And start over Seattle did, this time with planning and forethought. The once wooden city was rebuilt of brick and stone and iron. New wharves were constructed. Streets were widened. And in the area known as Pioneer Square, the most ambitious project of all was begun.

This entire neighborhood, the city's first business district, had been built on filled-in tidal flats. Buildings had stood on stilts. And the streets were muddy sloughs in which people had actually drowned. So it was decided that the entire area would be raised with dirt taken from the regrading of other parts of the city. Streets were elevated some 18 feet, and the second story of those buildings already under construction became the street level entrance. An entire floor of these buildings, a whole level of history, was sealed up to be rediscovered almost a whole century later.

Reconstruction proceeded with

amazing speed, yet the buildings produced were among the finest ever built in the west. Because the construction was done at one time, and the design was by a small number of architects, there was a sense of unity and harmony within the entire Pioneer Square area.

Then, over a period of decades, the retail district drifted away. As it moved north, all the great old monuments of the past fell into serious decay. Some of the old structures were razed and converted to parking lots. The City proposed to bisect the historic area with a freeway and the Federal Government suggested urban renewal.

Historic Preservation

In 1969, there was a small but growing demand for the preservation of precious historic buildings. And yet, with serious problems like spiraling unemployment demanding most of the resources of city government, Seattle simply did not have the money to undertake large scale preservation projects. What was needed to achieve the goals, without large costs to our taxpayers, was strong and unwavering commitment.

With mounting community-wide interest and pressure, a tough historic preservation law was passed early in 1970 to protect the Pioneer Square area.

And the City continued to support the neighborhood in any way it could. When Seattle received Federal funding for three small parks, two of them were immediately located in the District, clearly establishing Pioneer Square as a high priority project.

Local Action

The city recently formed a public corporation and purchased one of the real landmarks—the City Loan building. The corporation will now restore and sell it for a profit, using the money to repeat this process.

The city is assisting private parties in a joint development of an attractively landscaped center strip for Occidental Avenue, a street extending for three blocks through the District.

That center strip enhances the street and reduces traffic flow. Eventually the entire street area will be recaptured from the automobile and have an outstanding pedestrian mall.

New street lighting has been federally funded for all of the downtown area, including Pioneer Square. By postponing expenditures on other projects, we will have new lights in the Historic District which will be exact replicas of those used in 1910.

Washington State liquor regulations, moving in strange and mysterious ways, prohibit the dispensing of alcoholic beverages on sidewalks. Members of the State Liquor Control Board visited the District, and now a successful sidewalk cafe serves wine to customers on sunny days. This adds local color and pedestrian orientation to the area, but cost the city nothing.

With business support this summer, an experimental downtown shuttle bus program was inaugurated, linking Pioneer Square with other points of interest. So successful was it that a year-round shuttle system has been extended into Pioneer Square.

In order to encourage financial support for the rehabilitation of buildings, Pioneer Square will receive

priority in locating overflow city offices. An Indian Center and a Neighborhood Health Station will be located in two of the historic structures there. And additional manifestations of city commitment range from the cobbling of alleys to extending the annual Seafair Parade through Pioneer Square.

But this is only the beginning. Future plans include expanding the District, a city-wide preservation program, and a special minimum maintenance ordinance for historic buildings.

Benefits of Historic Preservation

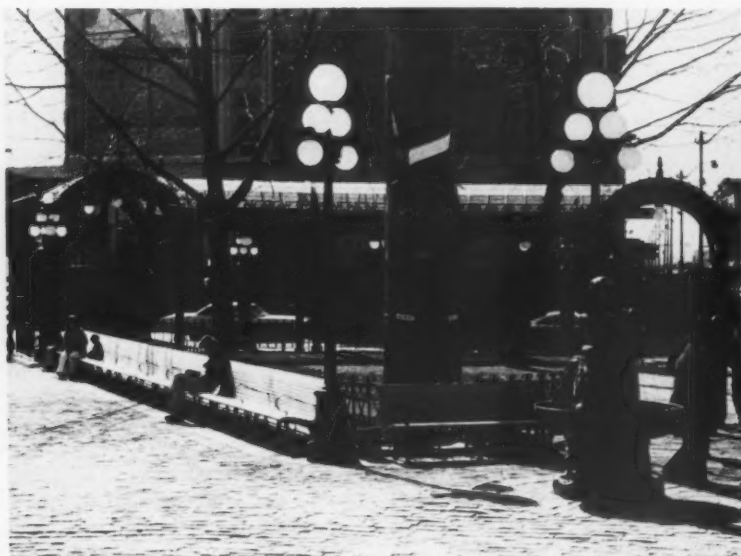
Obviously, Seattle is putting a lot of time, effort, and energy, if not money, into the preservation of Pioneer Square. Some have asked why bother, when so many very serious matters demand attention. There are two ways that historic preservation benefits all the citizens of Seattle. Historic preservation is sound economics. The city's cash investment in Pioneer Square has been very small in comparison to the private efforts there. Yet this area, instead of being a wasting liability to the city and a tax write-off for a few landholders, is now a real benefit to the economy. New stores and busi-

nesses spring up overnight, all creating jobs and paying taxes. And tourists, once warned to avoid this part of town, now come to Seattle just to see it.

But far more important is the kind of spiritual revival that can coalesce around an historic preservation project. Pioneer Square has become a symbol and a focal point for Seattle's sense of community pride and togetherness. Artists and lawyers, businessmen and derelicts have learned to work together, to trust one another, and to realize the tremendous power of people cooperating. The people of Seattle have discovered they have a past. In a "future shocked" society, this sense of historic identity can form a real buffer against the agonies of change. Downtown Seattle means something to residents and not many modern cities today can boast the same; unemployed aerospace engineers will drive taxicabs rather than move elsewhere.

A sense of pride grows each time the rich traditions and heritages of the city are uncovered. Every restoration reiterates that Seattle has not become New York by and by. Seattle has remained, and will remain, Seattle. ☺

*Wes Uhlman, Mayor
Seattle, Washington*



LEFT—A bust of Chief Seattle for whom the City is named, the Totem Pole, and new lighting installed as part of the Pioneer Square restoration project.

in print

The Great Land Hustle, by Morton C. Paulson. Chicago: Henry Regnery Co., 1972. 240p. \$7.95.

America Is For Sale, by Dorothy Tymon. Rockville Centre, N.Y.: Farnsworth Publishing Co., 1973. 211p. \$7.95.

The intent of these two books is to expose the shoddy, sometimes criminal practices of the land development industry, and to attempt, albeit belatedly, to warn the land-hungry public that, in many instances, they are being victimized.

Dorothy Tymon, a real estate specialist, who has appeared as an expert witness before hearings conducted by HUD, opens her book with this indictment:

"The most outrageous swindle ever perpetrated is taking place in the United States today. . . by some of the nation's most dignified blue-chip corporate structures. Joe, the Gyp, is in on it too, along with the fly-by-nights and the fast-buck boys, but they are only pikers in the biggest land-selling game ever known."

Morton Paulson, the business and financial editor of the *National Observer*, says:

"Many land buyers are dealt with fairly, but far too many others are swindled, gypped, or conned into purchasing property that they don't need or don't really want. . . Paradoxically, such dishonest dealings are taking place in the midst of the most sweeping consumer-protection movement in history."

Both books cite large and small corporations that have made fortunes by exploiting the growing desire, particularly of city dwellers, to "get away from it all" by investing in land for vacationing, living, or retiring. Their accusations are documented with numerous case histories.

Developers have "gobbled up" great tracts of open space land in many areas of the country. Much of it is not habitable, or not ready for development. California, New Mexico, Arizona, and Florida have, until recently, seen the largest number of huge land parcels sold by the half acre for a few hundred dollars down and monthly payments that continue for years. So successful were the gimmicks used to make sales—"free" dinners, "free" inspection trips, hard pressure salesmen, brochures and films depicting the "good life" in warm, inviting "unspoiled" areas—that by the late 1960's "developers suddenly discovered a huge untapped market for recreation-oriented properties of every description." They began moving into the Northeast and Southeast. And, Tymon says, "Land buyers are gaily racing to the slaughter. Twenty million people are rushing to buy a piece of America before all the land is gone."

In "The Failure of Government Regulation," Paulson writes:

"In the main, land frauds continue because elements of the land industry have succeeded in fending off meaningful regulations at the Federal level and in some States, by lobbying, issuing propaganda, and making political deals. . . Some salespeople have not hesitated to bribe or threaten public officials, to malign critics, or to intimidate the news media."

He is particularly critical of the State of Florida's reluctance to acknowledge, much less act upon, obvious frauds. And in his chapter titled "Raping the Land of Enchantment," he documents the close relationship between some of New Mexico's State officials and the land developers. Tymon calls what is happening to New Mexico "an economic and environmental disaster of epic proportions."

Both authors discuss HUD's Office of Interstate Land Sales Registration. Tymon believes it to be more effective than does Paulson; however, the latter thinks the regulation of land sales should be overseen by the Securities and Exchange Commission (SEC) rather than by HUD.

Both books list, in their appendixes, the names and addresses of State real estate regulatory agencies, noting that these agencies have varying degrees of jurisdiction over sales of subdivided land, and sales personnel.

—Helen S. Boston
Senior Bibliographer, HUD Library

The Fiscal Impact of Residential and Commercial Development: A Case Study. By Thomas Muller and Grace Dawson. Washington, D.C.: Urban Institute. Dec. 1972. 140p. \$3.00 paperback.

Albermarle County, Virginia, a rapidly growing suburban area surrounding Charlottesville, was the subject of this study which focused on the difference between revenues to be gained and the expenditures to be incurred by the County as a result of the development of a proposed new community to occupy over 3,500 acres and contain 18,000 to 23,000 new residents—equivalent to about half of the County's present population.

The Dynamics of Housing Rehabilitation: Macro and Micro Analyses, by David Listokin. New Brunswick, N.J.: Center for Urban Policy Research, Rutgers University.

Analyzes past failures and proposes new strategies for successful housing rehabilitation. Includes a case study of 400 houses rehabilitated and sold to low-income families.

IMPROVING THE MANAGEMENT OF LOCAL GOVERNMENT

Inspectors in Washington, D.C., driving slowly along streets and alleys and talking into tape recorders, are checking the cleanliness of each block and assigning it a litter rating.

The ratings—clean, moderately clean, moderately littered, and heavily littered—are assigned by referring to photographs that typify these distinguishable conditions. With brief training, inspectors are achieving reliable, consistent results through this technique.

After the inspectors complete their runs, clerks in the office of the D.C. Department of Environmental Services transcribe the litter ratings on data sheets and calculate the average conditions for each of the capital city's service areas. Data are collected periodically so comparisons can be made both over time and between different parts of the city.

Department managers, looking at the figures, pinpoint trouble spots that require special attention. They check whether each sanitation service area, and the city as a whole, is improving or backsliding since the previous inspection. They are particularly alert to see if the improvements in litter ratings that occurred during the Fall of 1971 in an intensive District of Columbia campaign—called Operation Clean Sweep—are being sustained. That is why their initial inspections were only six months apart. Once acceptable cleanliness levels are achieved, annual citywide inspections may be adequate, supplemented by spot checks.

Feedback Techniques for Local Officials

These inspections and data analyses, plus related citizen surveys, stem from work funded by HUD's Office of Policy Planning and Research and undertaken by The Urban Institute to improve the management of local government.

Local officials have long been seri-

ously handicapped by their lack of regular feedback on how effectively their public programs were meeting community needs. In its work to alleviate this problem, The Urban Institute has made initial progress in showing communities how to take a new look at solid waste collection, recreation, and local transportation services. Field tests and implementations are demonstrating the practicality of the Institute approaches to measuring and analyzing problems.

One might imagine that local officials would know if programs are effective. In business, profit-and-loss statements let managers know how well they are succeeding. For most public services, however, this kind of yardstick would have little meaning. Yet scant attention has been given to developing alternative measures of success.

This is evident from the type of statistics local governments have gathered—how much money is spent, what facilities are built, and how many persons are employed. For street cleaning and solid waste collection, man-hours worked and tons of refuse hauled away also are tabulated. This emphasis on financial bookkeeping, personnel, work-load statistics, typical for many public operations, does little to reveal whether the city is clean, whether all neighborhoods receive comparable service, or whether citizens are generally satisfied with the quality of clean-up service.

In trying to get feedback on these matters in the past, city and county officials largely have been limited to a consideration of expressed complaints. But these can give a nonrepresentative, distorted picture. A few vocal critics may cast doubt on a popular, effective program. On the other hand, dissatisfaction may run deep while complaints are few because some people fear reprisals if they criticize, others do not know

how to lodge complaints, and still others may assume that complaining accomplishes nothing.

The feedback techniques developed by the Institute avoid these limitations. They can best be illustrated by referring to work connected with specific public services.

Solid Waste Collection and Street Cleaning

Instead of tabulating tons of garbage collected or miles of streets cleaned, the Institute stresses such critical citizen concerns as cleanliness, health and fire hazards, odors, noise, and convenience.

At the outset, a major problem was how to establish sound criteria for determining street cleanliness. This led, through close cooperation with District of Columbia officials and staff, to the rating system keyed to photographs. James Alexander, D.C. Director of Environmental Services, said the approach has enabled the D.C. government to establish levels of street and alley cleanliness. Refuse collection resources are being reallocated to maintain these levels throughout the city.

The ratings, however, do not provide regular information to officials on odors, noise, missed collections, inconvenience, or citizen perceptions of their neighborhood cleanliness. To obtain that information, a telephone survey was developed and tested. Such citizen surveys, if conducted properly, appear to be practical means of getting vital, useful data.

In addition to the District of Columbia, other cities have become interested in this street cleanliness approach and are investigating its adoption.

Recreation

Traditional municipal recreation data focus on park acreage, quantities of various facilities, numbers of staff workers, and attendance at certain

activities. The Institute recommends measures that concentrate on citizen satisfaction with recreation services, family participation rates, crowdedness, facility upkeep, safety, and physical accessibility.

Many of these important qualities of community recreation are subjective and difficult to assess. Again, the Institute determined that a well designed sample survey of a cross-section of citizens would provide a basis for evaluating a recreation program.

One value of the survey is that it provides more accurate participation rates. Head counts at a local playground, for instance, do not indicate whether a small number of the same people are using the facility again and again, or whether a large number of people are using it occasionally. A survey can indicate how many different families use the facilities, how satisfactory the facilities and programs appear to the users, what reasons people have for not using recreation services, and, for each of these questions, how the responses differ for families in different parts of the community or for persons of various ages, income levels, or physical handicaps.

Washington, D.C. and the Rockford, Illinois Park District successfully tested these procedures. Edward H. Thacker, Deputy Director of the D.C. Department of Recreation, said, "We are impressed by results from the initial test. They can be useful as management tools." He added that he was eager to have his own staff repeat the work without help from Institute researchers to make sure the procedures were within the technical capabilities of typical municipal employees.

Local Transportation

Whereas traditional transportation measures focus on factors such as road capacity and traffic counts, the Institute attempts to throw light on



Photographs used for reference by inspectors to assign a litter rating are graded:

1. Clean
2. Moderately Clean
3. Moderately Littered
4. Heavily Littered.

the objectives toward which transportation should be expected to aim. These include convenience, accessibility, reasonable travel time, a minimum of congestion, comfort, safety, and minimum pollution or other negative environmental impacts.

The researchers stress that the quality standards should be measured for persons who do not have automobiles and who rely on public transportation, as well as for those who use their own cars.

Results

While it is too early to forecast the long-term effects of this recent and continuing HUD-supported work, interest in the management techniques already is considerable. Additional communities are planning to use the various survey and rating methods. Further, several large organizations are promoting this work to give it wider influence. The Interior Department's Bureau of Outdoor Recreation and the Ford Foundation are sponsoring developments and tests. The Environmental Protection Agency, in approving funds for a study on inner cities, recently directed the use of the Institute's measurement system. The International City Management Association has joined with the Institute to apply the procedures to the full range of services in two communities.

In sum, the work responds to the need of local officials for better information on which to base decisions concerning types and levels of services. It also offers guideposts to local governments that are besieged with pleas for greater equality in the provision of public services.

Walter Rybeck
The Urban Institute

The Urban Institute is an independent research organization funded by HUD and other Federal agencies, foundations, and private sources.



HOUSING IN HAWAII

Housing in the State of Hawaii differs from that of the mainland in several respects. The appearance of projects built in Honolulu, and on the islands of Maui, Kauai, and Hawaii are shown in the photographs. The units are all well landscaped. Anything will grow in the rich Hawaiian soil—all you have to do is “stick it in the ground and you soon have a jungle.” A major difference with housing on the mainland is the absence of heating and cooling systems. In Hawaii, the trade winds keep the houses at or about 80 degrees just as a heating and cooling system would. If it does cool off the islanders shrug and say, “When it is cool outside, it is cool inside, too.”

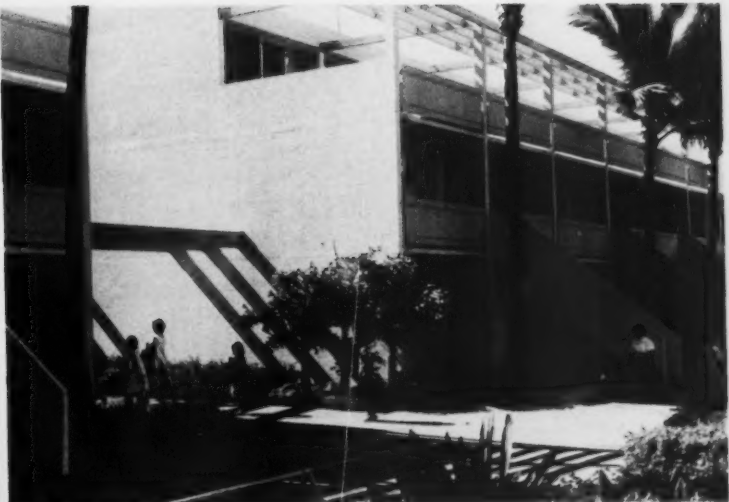
Many of the HUD housing programs have been used in Hawaii to build both single-family and multi-family housing. Their unusual degree of success is due to several factors, including cooperation between HUD's Insuring Office, the Hawaii Housing Authority, and the local sponsors and developers. For low- and moderate-

income housing, the State makes land available to the Hawaii Housing Authority at no cost. Without a land cost the housing unit costs come down to an absolute minimum. Without this assistance, since the materials have to be shipped to the islands, the cost of housing would be prohibitive.

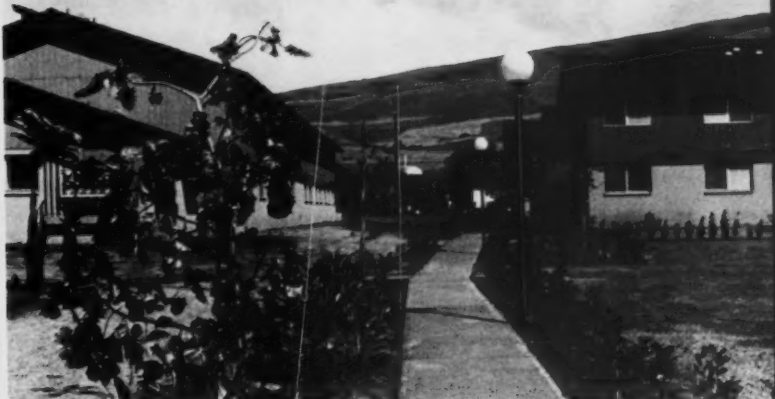
Pictured are samples of HUD-funded housing in Hawaii. They include below market interest rate units, interest supplement and rent supplement housing, limited dividend units in an urban renewal area, college housing, elderly housing, market interest rate housing for low- and moderate-income families, planned unit developments, scattered site housing, small projects of 50 units, and large projects of 822 units. By using all these programs and variations on programs, the residents, the State, the Insuring Office, and the management consultants all feel that Hawaii has a successful housing plan that is providing the housing needed by the low- and moderate-income families of the islands.



Kekaha Gardens, Kauai



Kikui Gardens, Oahu



Lahaina Surf, Maui



Mohouli, Hawaii

J. Walter Cameron Center

On the island of Maui, in Hawaii, the J. Walter Cameron Center gathers together in one place the various governmental and private nonprofit agencies, all of which work to improve the health and well-being of the people of Maui County.

The Center is a series of connected buildings where physically, mentally, socially, and educationally handicapped persons participate in a wide variety of services. The Center is situated on five acres of land leased by the County of Maui to the nonprofit corporation developing the multipurpose facilities, and is ideally located between Kahului and Wailuku, the two major concentrations of Maui's population. Transportation to the Center and the adjacent hospital is available for the handicapped.

The idea of the Center started some 10 years ago when it became evident that general facilities for the Ka Lema O Maui sheltered workshop program for the handicapped were inadequate and that community agencies such as the Red Cross, United Fund, Easter Seal Society, mental health and mental retardation programs lacked proper headquarters.

J. Walter Cameron, one of



Hawaii's leading businessmen and owner of Maui Pineapple Company, recognized Maui's acute need and chaired the Committee for a Comprehensive Rehabilitation Facility. As envisioned by the committee, such a center would provide coordinated services in a centrally located facility to the disadvantaged persons of Maui from birth to death to help each to live to his fullest potential. Specifically, it would serve 100 handicapped vocational rehabilitation clients per day, up to 30 psychiatric clients, and 50 mentally handicapped patients.

The Center would also provide physical and speech therapy, a small auditorium and conference facilities, as well as headquarters for community agencies including Maui Economic Opportunity, Inc., whose programs are geared for manpower development, education services for the elderly, and initiation of youth and community services activities.

HUD Involvement

HUD involvement in Cameron Center began in an unusual way. Mr. Dick Schuurman of HEW's Rehabilitation Services Administration suggested to the project director, Mrs. Kathryn Crockett, that she contact



Photo by Roy S. Okada



FAR LEFT—In the Physical and Speech Therapy Building, the auditory trainer acts as an effective aid in correcting defective speech of the hard of hearing.

NEAR LEFT—Totally blind workers fabricate seed jewelry for sale at the Maui Rehabilitation Center.

BOTTOM—J. Walter Cameron, president of the Center Board of Directors, with James Price, HUD area director, at the Cameron Center Neighborhood Facilities during construction in 1972.

Mr. Joseph Woo, HUD's Community Development representative. The aims of Cameron Center were found to be closely allied to the goals of HUD's Neighborhood Facilities Program—provisions of facilities for the delivery of a wide variety of health and social services to many types of users in a specified area. The Committee's application was partially funded by HEW and the State.

HUD helped finance construction of the neighborhood facilities and community agencies building. Other buildings in the complex include a vocational rehabilitation training building, a mental health and retardation building, and a retail outlet for the goods produced in the programs at Cameron Center and in other community nonprofit organizations. The first phase was occupied in January 1973; the entire facility was dedicated shortly after.

Cooperative Effort

It can well be said that Cameron Center has been brought to life by enthusiastic Federal, State, and local support. Cooperation between the two Federal agencies, HUD and HEW, proved excellent. Mayor Elmer F. Cravalho consistently provided strong

leadership in making Cameron Center a reality. The site was leased to the Center for \$1.00 per year by the County of Maui.

The residents and businesses of Maui have contributed much to the Center. They volunteered to canvas for pledges, and have themselves made generous contributions. In fact, the members of the Wailuku Hongwanji Senior Citizens Club folded over 14,000 brochures for mailing to Maui County residents to inform them about the services that would be available in the Center.

Government funds for construction and related costs total \$1.8 million, almost half coming from Federal sources. HUD funds amounted to \$390,000 and HEW contributed \$460,000. The State of Hawaii contributed \$700,000; the remaining \$240,000 was the County of Maui's contribution. It is impossible to put a price on the time, energy, and goodwill donated by the friends of Cameron Center, but their role will enrich the life of Maui, the "Valley Isle," for many years to come.

*James H. Price
San Francisco Area Director*



(Photo by Terry Ross, MAUI NEWS)

notebook

The F.W. Dodge division of McGraw-Hill found an average increase of 219 percent in construction cost per square foot for most types of buildings between 1947 and 1972. The report said most of the increase was due to labor costs but other factors include materials prices, changes in structural characteristics, more customized features, and better quality construction. Increases by major structure types: hospital and institutional, 344 percent; government, 335; educational, 275; social, 236; non-housekeeping residential, 228; commercial, 194; religious, 192; and apartment, 153 percent.

Federal National Mortgage Association passed the \$200 million mark in the issuance of convertible standby commitments in its conventional mortgage program. The convertible standby commitment program has been in effect only since January 30, 1973, and is an expansion of FNMA's conventional mortgage program which began operating in February of 1972.

Quadruplex housing structures containing four separate dwelling units have shown themselves to be sales leaders in some areas. In a tabulation provided by the Bureau of Building Marketing Research the number of units in such buildings for 28 metropolitan areas totalled 23,700 in 1971, 70 percent of them concentrated in California, Florida, Chicago, New Orleans, and Portland, Oregon.

The Sioux Falls Insuring Office expects all the Rapid City disaster victims to be in permanent homes by September 1973. This means that in a little over a year from the time of the tragic flood all of the 1,300 families will be sheltered.

Residential construction activity in New York State in 1972 reached the highest level in 10 years. A report on 1972 construction shows that building permits were issued authorizing the construction of 108,096 new housing units during 1972, compared with the 101,768 units authorized in 1971. This was the highest level of construction activity since 1962 when 121,758 units were authorized.

HUD Secretary James T. Lynn extended invitations to interested groups and individuals outside the government requesting their participation in the Housing Policy Review underway at HUD. Published in the Federal Register (April 5), Secretary Lynn's invitation encouraged views on existing housing policies and programs and suggestions for improvements or alternatives. The most important question the groups were asked to consider is: What should be the Federal Government's role in housing and housing finance, and how should this role best be carried out?

The new idea of selling "quadrominiums" is catching on in the resort community of Ocean City, Md. For just under \$12,000, the buyer gets two bedrooms, two baths, living-dining room, kitchen and laundry facilities, completely furnished right down to the linen and silver, but he owns it for only three months in each year. He shares it with three other families, each getting a different three-month period. Although there is a single mortgage on each \$40-50,000 unit, each buyer is liable for only his share. To cover defaults in the quadrominium, a mortgage default insurance monthly fee of \$2.50 is added.

New York City's Board of Estimate has come up with a novel idea to save the city's small private parklands from spoliation by land developers: the developer will be offered comparable, valuable air rights in another part of the city in exchange for the parkland. Thus the densely settled city will be able to preserve small parklands that contribute to the amenity of urban life.

Starting with an initial grant from the HUD Office of Policy Development and Research, the New York Regional Plan Association is conducting a project known as "Choices for '76" or "TV Town Meeting." The project is a major experiment in metropolitan citizen participation using a specially prepared book, six one-hour television films and computerized issue ballots to create discussion between twenty million citizens in the New York region on future development issues. The experiment is based upon financial support of and cooperation between government, foundations, private corporations, and a wide range of citizen groups.

With 75 percent of the country's known flood-prone areas still uninsured, Federal Insurance Administrator George Bernstein urges communities to take the action necessary to permit homeowners and businessmen to buy federally subsidized flood insurance. Eligibility for this insurance follows a community's commitment to sound land use and development of areas that are subject to flooding. At the end of February, 1,584 communities were participating in the National Flood Insurance Program and well over 150,000 individual flood insurance policies were in force.

Robert E. Ruddy was appointed Deputy Under Secretary for Field Operations, effective April 2. In this newly created HUD position Mr. Ruddy is responsible for overseeing general headquarters-field relationships of the Department. Mr. Ruddy comes to HUD from the Department of Commerce where he served as Special Assistant to the Secretary for Regional Economic Coordination.

On the Move in Hoboken

By Ivan Silverman

In 1956, Concepcion Andino left her native city of Bayamon, Puerto Rico, and joined her husband in Hoboken, N.J. She was 17 years old at the time, and the mother of one child.

Jobs for unskilled workers were easy to come by in Hoboken in the late Fifties. Soon after arriving, Mrs. Andino found work as a packer with American Sweet Company, known locally as "the Tootsie Roll Company." she also found a three-room apartment in a five-story tenement that—like its neighbors—housed many American Sweet workers. The buildings were called "The Tootsie Roll Flats."

In 1971, a row of nine tenements on Willow Avenue between 12th and 13th Streets was chosen for renovation in the pilot effort of Hoboken's HUD-sponsored rehabilitation program. There were 98 families living in the rundown—but structurally sound—complex. Among them were the Andino family, now with three children in a six-room apartment, plus relatives including Mrs. Andino's mother, her brother and his family, and her sister and her family.

In Spring 1972 all the Tootsie Roll tenants received letters from a landlord they had never seen. They learned that their buildings had been sold to Applied Housing Associates Inc., a company whose name they had never heard. And they also learned that their apartments would have to be vacated so they could be renovated. The first steps in upgrading 1,200 units of Hoboken housing had begun.

Nearly 90 percent of Hoboken's housing stock was built before 1910, during boom times for the city.

These turn-of-the-century buildings, often brick and masonry structures, were built to last. And last, they did. But after decades of wear-and-tear, many needed new wiring, plumbing, heating units, and other essential repairs.

A review of local housing by the planners indicated that the best way to counter years of neglect was through total renovation of housing interiors—which necessitated relocating families living in the buildings to be renovated.

Relocation Assistance

By many standards, the displaced families were extremely fortunate, for the 1970 Uniform Relocation Assistance and Real Property Acquisition Policies Act, had expanded the protection and benefits available to families displaced by federally aided or financial projects. The Act doubled to \$1,000 annually the "relocation adjustment payments" available to displaced families. These payments cover rent increases caused by relocation. The Act increased the duration of adjustment aid to four years from the two years permitted under earlier legislation. It eased eligibility requirements for these benefits, and provided a new down-payment assistance plan to help relocated families buy their own homes. Hoboken families were covered by the new liberal law.

At least as important to the displaced families, Hoboken's relocation operation was directed by a six member relocation assistance staff. In addition, the agency required Applied Housing Associates, developer for the pilot renovation project, to provide a full-time relocation specialist. With seven people handling the logistics

and largesse of displacement, relocated tenants could draw on an unusually large talent bank.

To be sure that every tenant learned about available benefits and to help with problems caused by forced transition, the new relocation unit included a social service manager, Mrs. Vidalina Milan, and two social service aides. All three members of this social service team were Spanish-speaking residents of Hoboken. (About one-third of the city's population has Hispanic surnames, and nearly 85 percent of the "Tootsie Roll Flats" families were of Puerto Rican ancestry.)

In Spring 1972, HUD granted Hoboken \$1.1 million for relocation assistance, the largest sum awarded any of the agencies seeking additional relocation grants at that time. With this money in hand, relocation assistance staff began moving 98 families out of their homes.

In the late Sixties, standard housing was a scarce commodity in Hoboken. The city's apartment vacancy rate, from 1968 on, remained extremely low, generally hovering at about the 1 percent level. Public housing units available to low-income families were as rare as black pearls.

Further complicating the relocation operation, were the special problems common to "Tootsie Roll Flats" families. About 80 percent of the families are headed by women receiving welfare assistance. Large family units, with four and five children, are common. There were teenagers with school and drug problems, and adults with drinking and gambling problems.

Despite the critical local housing shortage, and the abundant social

problems, apartments conforming to the most modern and stringent housing codes were located for every family planning to stay in the city.

"We had a few good breaks," relocation coordinator Joseph Cicala recalls, "We located one developer who had just finished renovating some buildings, and who had other apartments at his disposal. We worked with building superintendents who had access to early information about apartment vacancies."

In several cases, Applied Housing Associates offered to supply "finder fees," further facilitating the relocation process. Within six months, all the "Tootsie Roll Flats" families had moved. About two-thirds of them remained in the city, some settling within three or four blocks of their former homes. The remaining families chose to leave Hoboken, usually moving closer to relatives. Four families returned to Ponce, Puerto Rico, from which they had emigrated years before.

To assist the families before and after they moved, Cicala and his staff sliced through red tape to provide quick service to displaced tenants. All "Tootsie Roll" tenants received rent adjustment payments, moving after changing apartments. Previously, families relocated in Hoboken had had to wait as long as a year for their first checks.

In the four year period following displacement, most families will receive the maximum \$4,500 in benefits allowed under current legislation.

Social Service

Cicala's staff, through its social service unit, also attempted to handle problems unrelated to transition.

"Even though it wasn't required, we took it upon ourselves to act as a service referral agency," Mrs. Milan says. "We made sure that families with health problems got to see a doctor; that unemployed adults were put in touch with manpower and employment agencies; that children with school difficulties received assistance."

The displaced families were also given information and help needed to re-establish themselves, such as how to obtain gas and electric service, register to vote in a new district, or enroll children in a new school.

When tenant-landlord problems arose following relocation, the social service workers served as intermediaries. "One landlord dragged his feet making promised repairs in a new apartment, so we applied a little pressure and the job was done," Mrs. Milan recalls. "In another case, one of our relocated tenants was annoying her new landlord by leaving things in the hallway, and keeping a sloppy apartment. The landlord threatened eviction, but we convinced the woman to change her behavior."

As a result of its efforts, the relocation staff has won the confidence of landlords and homeowners in Hoboken, a necessity if further relocation operations are to move smoothly. The staff has also gained the respect and cooperation of relocatees. Perhaps, however, this is not enough. Efficiency and responsiveness may not be sufficient to meet the needs of relocated families. Joseph Cicala, and Mrs. Milan and other members of the relocation staff are bound by existing statutes; thus displaced families will find their benefits ending four years after moving, often

to an apartment where rent payments are above their unsubsidized means.

Additional Needs

"The limited duration of relocation benefits is going to cause major problems," Joseph Cicala forecasts. "Families who have traded substandard apartments for their new homes, will be forced back into substandard dwellings."

The dynamics of relocation have helped to raise rent levels in Hoboken. Even substandard apartments—their numbers diminishing as repairs are made—are becoming more expensive.

Even if rental costs aren't a factor, larger families will have problems finding new dwellings. The number of available multi-bedroom apartments is limited. Repaired buildings won't have five-bedroom units, although some relocated families need this much room. Current guidelines on room requirements for extra large families will prevent some "Tootsie Roll" tenants from returning to their renovated homes once reconstruction has been completed.

Also, despite the mightiest efforts of a dedicated relocation assistance staff, displacement has been in some cases a traumatic psychological experience. Relationships have been disrupted. A feeling of powerlessness in the face of overwhelming, inexorable, and mysterious forces has been fostered.

"We did all we could to minimize the pain of displacement," Joseph Cicala says. "In one typical case, we discovered that an elderly woman living alone in the 'Flats' was cared for by a younger woman in an adjoining tenement. The relocation staff



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6

sought for—and found—two contiguous apartments in a new building.”

Given the local housing market, it wasn't always possible to be so tender with relationships. Concepcion Andino, after 17 years at 1217 Willow Avenue, moved into a new six-room apartment. Her rooms receive more than their share of the rising and setting sun. They are bright. They are also airy. But they are not beneath her mother's apartment, several floors away from her sister's apartment, and down the block from her brother's family.

Mrs. Andino, a doll-sized woman with jet-black hair, reminisced recently, as she sat in her new living room, saying, “When I first moved into the Tootsie Roll Flats, I paid \$35 a month for three rooms. When I left I was paying \$125 for six rooms. When I started to live there, the building was well kept. It was nice. Then the building started to run down. But I

kept my apartment nice and clean. I keep this new place nice and clean, but I don't want to put too much money into it. Over there, I had carpeting on the floors, panelling on the walls. I don't want to put it in here.”

In May tenants began moving into the newly renovated apartments on Willow Avenue between 12th and 13th Streets. The development will be christened “Willow View I.” Where income and family size allow, relocated families are being given first choice at the rehabilitated apartments. Many “Tootsie Roll” tenants are going home again. Concepcion Andino hopes she will be one of them.

Mr. Silverman is senior writer/researcher for Hoboken Model Cities. He was formerly a free-lance writer and newspaper reporter specializing in housing and urban affairs.

1—Model Cities social service manager Lina Milan (rear) informs tenant about relocation benefits available to displaced families, while Sharon Florio, administrative assistant, gathers data over telephone.

2, 3, 4, & 6—Workmen applying their skills to the rehabilitation of “Tootsie Roll Flats” and its transformation into the Willow View apartments.

5—Concepcion Andino, a former tenant of the “Tootsie Roll Flats,” relaxes in the living room of the apartment to which she hopes to move back to the rehabilitated Willow View apartments.

a Force for a Better Community... Cincinnati's Better Housing League

Since its beginnings in 1916 Cincinnati's Better Housing League—the nonprofit citizens' organization serving a five-county area, has been involved with people, their neighborhoods, and their structures. Its 2,000 members are dedicated to helping people obtain adequate shelter, maintain that shelter properly, and receive the most for their housing dollar. In a sense, we serve as the conscience of the community in matters of housing, alerting public officials and the citizenry to problem conditions and encouraging them to find solutions.

Information and Counseling

For more than half a century the Better Housing League has provided information and counseling to residents in the Cincinnati area. Its members have worked toward improving housing without reference to political affiliation or involvement. It has brought together neighborhood representatives and city staff members. It has supported new legislation on tenant-landlord relations; it has won the Cincinnati City Council's approval for a law making it illegal for property owners to shut off essential utilities in occupied buildings. Through its efforts, others have come to know the Better Housing League and have sought its guidance in developing similar programs in their area.

The League has received inquiries from such major cities as Spokane, St. Louis, Boston, Washington, D.C., Gary, Omaha, and Tacoma, including many communities in its home state of Ohio. The brochures explaining its programs and operations are simply written and illustrated to make its message easily understood. During the past year more than 14,000 of its various publications were distributed "with the conviction that the greatest force for better housing is an in-

formed consumer."

Of particular interest is the League's Tenant Handbook, developed in cooperation with tenant-managers as part of the tenant education program. This provides key telephone numbers, facts about the tenant's lease agreement, how to pay rent, who makes repairs, and tenant-landlord responsibilities. A three-page check list assists the tenant in understanding responsibility with respect to utilities, fire safety, housekeeping, and garbage disposal.

Innovative Programs

Four years ago there was little work being done in the field of tenant education. Although the City of Cincinnati had provided funds for the program with the intent to coordinate efforts in this activity, the main thrust was in the area of encouraging and training persons to become involved professionally in this endeavor. The League's effort in promoting the program of tenant education with other agencies during this initial period has paid dividends.

Today BHL is coordinating the work of L.M. Primack, Inc., a Cincinnati management firm, and the Cincinnati Board of Education in developing a management training program utilizing a mobile unit, developing a training course for Cincinnati's Model Cities Neighborhood Development Corporation offered through the University of Cincinnati's College of Community Services, and providing leadership training to officers of tenant councils around the metropolitan area.

The staff designed and instructed the first management course offered at the University of Cincinnati—a ten-week course conducted by the College of Community Services in the Spring of 1972.

"Over the years the Better Hous-

ing League staff has been a catalyst in proposing innovative programs and in conducting major activities to help improve housing conditions for the people of Cincinnati," says Arnold J. Rosemeyer, Housing Development Officer for Cincinnati's Department of Urban Development.

Rosemeyer tells of BHL's assistance in developing specific plans for experimental rehabilitation in East Washington Park and Dayton-Linn Triangle areas. "This concept initiated by BHL," says Rosemeyer, "was the first local inducement for inner city rehabilitation. The League can also be credited with developing a relocation plan for the Queensgate II renewal area."

In recent years the League has centered much of its activities around homeownership counseling. Because of its work in this field, we were invited in 1971 to meet in Washington with HUD staff members to discuss redesign of the Section 237 program. The League was among the agencies to receive an award from former HUD Secretary George Romney for its work in voluntary counseling.

In the City of Lincoln Heights, a predominantly black community of some 7,800 persons, BHL staff member Tom Cade is working with William Korte, the City's urban renewal director, who is on a one year leave of absence from HUD's Columbus Area Office under the Intergovernmental Personnel Act. Korte believes that the homeownership counseling provided by BHL is a protective key for those being displaced by the Lincoln Heights renewal program.

"We view the Better Housing League as representing the buyer rather than the seller in seeking proper housing for our relocatees," Korte says.



TOP—Tom Cade, the Better Housing League's Assistant Homeownership Counselor, conferring with a Lincoln Heights family.

BOTTOM LEFT—Mr. Cade explains some of BHL's handbooks to a prospective homeowner.

BOTTOM RIGHT—BHL Office Manager Elaine Craig prepares art work for a slide series used in counseling homeowners on the care of the household.

Annually, BHL counsels some 300 families in homeownership and others seeking help when confronted with problems that arise after purchasing a house.

In spite of its 57 years of existence and acknowledgement of its worth in the greater Cincinnati area and elsewhere, the Better Housing League has seen some lean years, and funding of its counseling program is still not permanent. Requests for assistance from other agencies have not been accompanied by offers of financial assistance. Only through its contracts with clients such as Lincoln Heights and Cincinnati has its counseling program continued to function the past year. Our budget of \$130,000 consists of some \$50,000 from the Greater Cincinnati Community Chest, of which the League is a participating member, and the balance is derived from contracts or grants. The current programs of neighborhood coordination, tenant and homeownership counseling, education, research, and public information are manned by a nine-member staff of full time employees.

Looking to the future, the League has on the drawing board a regional management training center which it hopes to establish in cooperation with the University of Cincinnati's College of Community Service. 🐾

*Charles G. Stocker
Executive Director
Better Housing League
of Greater Cincinnati*



The Community Considers Its Civic Housing Problems

In Memphis the question of how to get needed housing built was considered by a specially formed group of civic and community leaders at a two-day seminar in January 1973. The group—the Memphis Housing Coalition—analyzed some problems of obtaining housing to adequately serve the 800,000-plus Memphis community. Their experiences may help other communities.

Setting Up the Seminar

In the belief that the general public did not understand the obstacles associated with providing adequate housing, the objective of the seminar was simply stated: Get the people together who are most knowledgeable about the subject, identify the problems, and make specific recommendations for change.

Seminar participants covered five topics—zoning, subdivision, and building codes; coordinated planning between public and private institutions; location of low-income housing; fair housing; rehabilitation and conservation. The groups discussed subjects as mild as the need for a mobile home ordinance to the contention that racial prejudices do influence decisions on where to build public housing. The next day, the group leaders summarized the findings of their particular discussions and presented recommendations to the assembled participants.

Sample Findings

Where building codes and zoning regulations impede housing construction, a complete review should be made of existing codes to determine if they meet city needs. This group also pointed out the need for an ordinance dealing with the installation of mobile home parks.

Another group recommended a City Department of Community Development to coordinate the efforts of all housing-related agencies, especially the inspection of existing

Mrs. Frank Jones, chairman of the board of commissioners of the Community Relations Commission, and Robert James, Memphis City councilman, listen as session leaders report on their findings.



homes, zoning, and the delivery of social services to city residents.

On the subject of fair housing, a group recognized that fear of the unknown often keeps many citizens from accepting the fair housing concept. They recommended the inclusion of a fair housing requirement in the proposed State housing bill, a city "Fair Housing Ordinance," and the prominent display of a "Fair Housing" sign along with a real estate agent's sign.

Fair housing practices should begin in established neighborhoods first since Federal and local equal opportunity regulations on new housing construction, financing, and sales had nearly negated the possibility of discriminatory housing practices in that area. The discussion group pointed out, "...in retrospect, the institutional segregation of years past was wrong. There are no easy answers,

but hard work must continue in order to obliterate this holdover prejudice of other generations."

Through the City Housing Improvement Department 1,500 homes had been rehabilitated to meet code standards with Federal funds from the Federally Assisted Code Enforcement Program (FACE). About \$600,000 had been acquired by the Department for one neighborhood "on the brink of decline." It was suggested that city funds might be provided for such a worthy program since Federal funds are no longer available; stronger and better enforcement of present housing codes needed to come about; civic-type clubs in transition neighborhoods might stabilize those areas; and the present tenant-landlord relationship should be studied to suggest changes that would provide a more equitable situation for tenants.

Probably the most significant recommendation by the conservation and rehabilitation group was a call to develop a comprehensive housing plan to include shopping, transportation, housing of all types, and schools.

Information and Results

Participants learned that the proposed State housing bill called for a new State housing development agency to provide some 10,000 new homes annually through 1980 to help reach the goal of 550,000 new housing units in Tennessee. The program would be financed by the sale of \$150 million in tax-exempt revenue bonds. The units would be in the \$10,000 to \$18,000 price range and would be available to families whose yearly income did not exceed \$9,000.

A smaller committee compiled all of the information gathered from the seminar into concise, well-defined problems and recommendations, for presentation to the Memphis City Council.

Shelton Robinson
Memphis Housing Authority

"Let us recognize that the American system which has brought us so far so fast is not simply a system of Government helping people. Rather it is a system under which Government helps people to help themselves and one another."

—President Richard M. Nixon
Message on Human Resources

"Although the public housing project manager's job is exceedingly important for the two and one-half million persons who live in housing projects and requires a wide variety of skills, the position is ill-defined, both to the manager himself and to those responsible for filling these positions. Managers do not admit to much tenant-management conflict, despite tenant reports to the contrary. Nor is there much sentiment favoring increased tenant participation in project management, despite tenant demands for greater control, at least in the larger cities. Managers are caught in the middle of many of the public housing program's financial and social difficulties; they have little real power, but are the focus of the tenants' increasing frustrations and dissatisfactions. More explicit training and job definition, greater autonomy from the housing authority central office, increased involvement of tenants in project management, and assumption by tenants of managerial jobs are possible ameliorative steps. More fundamental problems must be faced, however, with respect to the inadequate subsidies provided for the low-rent housing program and the underlying issues of race and income distribution which are at the root of housing problems."

—"Public Housing Managers: An Appraisal"
by Chester W. Hartman and Margaret Levi,
in the *Journal of the American
Institute of Planners*, March 1973

"Cities came into being because of the need to bring workers and work together, but as more and more firms locate farther and farther away from our major industrial centers, their workers follow, depriving the city of its economic vitality... Only when we contemplate the whole thing—residential and industrial redevelopment—jointly will we be able to put our cities back in business... Creating new housing will not be enough to halt the exodus from our inner urban cities... jobs are as equally important if we are really going to reclaim the blighted portions of our cities."

—Harry J. Scanlan, real estate expert
quoted in the *Journal of Commerce*

"The no-growth syndrome is spreading so rapidly that nearly every day you hear about its various forms: sewer and water bond referendums defeated and hookups denied; zoning fought, delayed or rejected; building moratoria debated or announced; phased, slowed or fixed growth chartered; developers required to donate parkland or build schools to get zoning; or environmental red tape used to strangle development. The forms of no-growth appear unlimited. . . ."

—George C. Martin, President
National Association of Home Builders

"Governments should require developers to devote a portion of their developments to raising the cultural level of the people before granting them permission to build. A pretty building is not enough. . . ."

—Tibor Hollo, Indianapolis land developer
quoted in the *Indianapolis Star*

"If we are to preserve the housing we build, and see to it that it does not become. . . the means of destroying the neighborhood in which it is situated, we must give our attention to ways of encouraging the development of cooperative and condominium buildings from which the developers and future tenant-owners can derive the same financing and tax benefits as would be available to the private rental owner/developer. . . ."

"The tenant who has a financial stake in the housing he occupies is a different type of tenant than one who merely pays his rent on the first of every month. The ownership oriented tenant becomes involved in his community to a far greater extent. He is more concerned about maintaining the quality of life in his community and preserving the character that attracted him to that community in the first place. As roots sink down to bedrock of the community, the intensity of the desire to protect what has been built up increases, and problems normally faced by professional management in rental situations decrease."

—Charles J. Urstadt, former New York State
Commissioner of Housing and
Community Renewal

"... mobile homes remain the only truly low cost unsubsidized housing in the country. Unfettered by government tie-ins, mobile home dealers and manufacturers can operate business-as-usual regardless of the whims of Washington."

—Lynn P. Landbert, Editor
M & R Housing Merchandiser

After hours

The Harlem Institute of Fashion is the one-woman creation of Mrs. Lois Alexander, the Intergovernmental Relations Officer in HUD's New York Regional Office. Originated as a community development effort to help underprivileged, untrained black people obtain a foothold in New York City's dress manufacturing and fashion industries, it now includes academic programs to broaden its pupils' horizons as well as teach them trade skills.

Prior to her career with HUD, Mrs. Alexander operated a dressmaking establishment. She is a skilled designer and technician who was for eight years president of the National Association of Fashion and Accessory Designers—an organization devoted to helping black designers find outlets for their work. She is enthralled by the tradition of sewing and dressmaking that originated with black women of earlier generations when they were the seamstresses of middle and upper class women.

She recalls that black women have been sewing since they came to this country, and that black women created the costumes worn by the belles of the old South, the gown worn by Mary Todd Lincoln at President Lincoln's first inaugural, and the wedding dress worn by Jacqueline Bouvier when she married John F. Kennedy. Mrs. Alexander's personal library dealing with this tradition is a unique collection of Americana illuminating the largely ignored contribution black women have made to the social life of bygone days. Her interest in that tradition played a part in her decision to establish the Harlem Institute of Fashion with few resources besides her own determination.

Providing Opportunity

Convinced that the black woman's dressmaking talent has not petered out, but remains buried for lack of opportunity and training, she used her



own knowledge, abilities, and drive to help Harlem residents express it.

New York City's garment and fashion industry, the largest in the world, is situated in a community in which more than one million blacks live, but employs relatively few black people in other than unskilled and semi-skilled jobs. Mrs. Alexander set out to train them in the skills that would open opportunities for employment in the skilled jobs as well, and established the Harlem Institute of Fashion to do so.

With the help of a committee of friends, a small group including Mrs. Margurite Belafonte, then wife of the singer; Mrs. Whitney M. Young, Jr., wife of the late Executive Director of the National Urban League, and Mrs. Dorothea Towles Church, a black woman much in demand by fashion salons in Europe, the Institute was opened in 1966.

For the first group of seven students in three small rented rooms, the equipment consisted of a small quantity of donated material and three sewing machines, only one of

which worked. But the volunteer instructors, including Wesley Tann, the well known black designer, were all of the first quality.

In that original group there was the mother of three young girls who said, "I want to dress my children nicely. If I learn to make clothes myself, I can do it." A mailroom worker and a high school student, both ambitious to become designers, didn't have the funds to go to a standard technical school and therefore enrolled in Harlem Institute of Fashion. Another woman wanted to learn the skills that would help her get a job as a tailor.

There were no children in that first class. But children have since come in droves to learn to make their own skirts, blouses, handbags, and even coats. "They like pretty things, of course," commented Mrs. Alexander. "Now, they can have them. And it's just as important to their pride that they create these garments with their own hands and brains. They take great satisfaction in what they have done."

And men came. As do the elderly



LEFT—Students of all ages are enrolled in the Harlem Institute of Fashion created in New York City by the efforts of Mrs. Lois Alexander (below). **BOTTOM**—A young student is initiated into the mysteries of needlework.



of both sexes. There is always room for one more.

Varied Curriculum

The technical courses include, in addition to sewing and dressmaking, sample making, draping, tailoring, millinery, color, and design. "Of course, it is important that they learn these skills," Mrs. Alexander says. "But it is at least as important that they be better equipped to meet the challenge of our society at large."

So the Harlem Institute of Fashion teaches charm and good grooming. It teaches Afro-American history to acquaint the students with achievements of black men and women in science, the armed forces, jurisprudence, medicine, and the arts. Pictures on the wall of all black members of Congress further instill racial pride.

"We want the students, especially the young ones, to learn all about the good things our people have done that may not be in the history books," the Harlem Institute of Fashion founder said. There are also courses in math and English. And a library has been started.

In the spring Mrs. Alexander takes inner city children on nature walks in the backyard of an ancient townhouse on what she considers "one of the most deteriorated blocks in Harlem." She and a few assistants removed seven truckloads of garbage from the backyard and painted and repaired the building to make it suitable for use. The Harlem Institute of Fashion acquired the building after Mrs. Alexander begged, cajoled, implored, and pleaded until she obtained the necessary funds.

The school has acquired prestige and wide support in New York's garment center. It has taught over 2,000 students in seven years. Last fall, a thousand people attended a fund raising fashion show held in the Waldorf-Astoria Hotel.

a new local role

By Lawrence S. Katz

The Federal Government's lower profile in urban renewal will compel an evaluation, not merely of its past role, but of the posture of local authorities and private enterprise in this arena. There will be those who will contend that without Federal assistance, urban renewal will grind to a halt and that the central cities must go down to further decay. On the other hand, it has been obvious that Federal assistance has been changing in nature in the past several years and there are adequate signs that the urban renewal problem should be faced squarely by local communities in anticipation of further reductions of Federal oversight, intervention, and responsibilities.

Changing Patterns of Responsibility

The result of the lessening of Federal involvement in the past few years has been apparent in the core areas of our large cities. Accelerated blight in most of the cities was proceeding at a pace significantly faster than the acreage that had been delineated for renewal. The pattern as to the siting of urban renewal projects in the first few years is similar throughout the country—it generally is the older declining residential area in the city—an area that has not been absorbed over the years by the commercial expansion of the downtowns. For a variety of reasons, including lack of funding and relocation problems, pockets of blight still remain around these downtown areas, frequently adjacent to urban renewal activity. Cities may have plans on the drawing boards for the renewal of these pockets of blight, but the current Federal policy change may result in the community's decision to change the direction of further renewal activity. It may be possible for communities to rethink their own responsibility in land acquisition,

demolition and renewal, and evaluate the possibility of continued activity without Federal aid in land acquisition.

Urban Renewal Process

The Federal role in the urban renewal process involves a contribution of two-thirds of the cost of acquisition of land in the larger cities and the cost of preparation for resale. The city pays one-third. There is recapture as the result of sale of the land by the city, and the two governmental units then share in the same proportion as their investment. This process is predicated upon the assumption that the acquisition of the land, cost of demolition, and street improvements, exceed the land value for new construction. It presumes that private investors cannot afford to pay the high cost of acquisition, etc., that would not be reflected in the actual land value necessary to achieve the public purposes of renewal. This is generally true, but there are exceptions. And it is these exceptions that must be recognized by the cities.

Suggested Changes

Apparent exceptions may well be the pockets of blight surrounding the downtown area that would have eventually experienced renewal. They contain 60-80 year old residences and commercial structures, most blighted beyond rehabilitation redemption; thus demolition is the only logical solution. In many of these areas empty lots lie fallow between old existing structures. Some of these lots are on the delinquent tax roles or have been acquired by the city due to tax delinquency. There are no buyers for them. The existing old single-family or duplex units have no resale value and are generally absentee owned. Owners would like to sell,

but no takers. Just what are the vacant lots worth? In many of the communities HUD is selling lots they now own, after they have razed the abandoned property, for \$1,000 - \$1,500. Consensus of opinion among most investors, builders, etc., is that these lots have little or no value since no one wishes to live in the area. On the other hand, if all of the blight were removed in a number of blocks frequently adjacent to a renewal area, the land is marketable for imaginative new construction—residential, commercial, or industrial.

In view of the lack of buyer interest and low value, why is the Federal Government needed and why is a significant markdown of the land necessary? The acquisition of block after block of this type of delineated wasteland is possible with an expenditure of dollars that can be recaptured from value ascribed to it by HUD-FHA in their approval of new construction. It is obvious that the cities' involvement is necessary because of their powers of condemnation—powers that will be needed for the few properties that may not be available for purchase. An old city block that normally contains one or two-family units on 30 foot lots may be acquired at an average cost of approximately \$2,000 - \$2,500 per unit. Experience would reflect that in some instances land value ascribed by HUD-FHA might be in excess of actual acquisition cost, and in other instances it may be less. Venturers in land acquisition should plan on averaging out their land acquisition costs.

In Milwaukee, a sponsor identified a site in the core area that he wanted for a Section 236 assisted project. It consisted of a commercial structure previously occupied by a new car sales agency. HUD-FHA approved the site for multifamily construction, with a land use intensity rating of 72



one- and two-bedroom apartments in three-story structures. An informal analysis by the Valuation Section resulted in an FHA value for the land. The sponsor was so informed, and that was his offer to the seller. The seller felt this was too low, but soon recognized that if he rejected, there would be no other buyer. He accepted. The project has been successfully built and occupied. It was the intent of HUD-FHA that the project serve as a catalyst for block after block of adjacent land to be acquired

on the same basis. It is far wiser for the assembly of land to be on a large scale than the isolated purchase of a site with HUD's land value as a sales price.

Land Acquisition Methods

Who should be responsible for land acquisition? There are two possibilities. One is the city itself, through its local public agency, and the other a civic nonprofit organization that would assemble only—not build.

If blocks of blight described above

exist in cities—and they do—why should the city look to the Federal Government for large sums with which to proceed, when, with some imagination, they can proceed without Federal aid? Understandably, in the past decade, the need for Federal assistance in most of the inner core was necessary because acquisition costs did exceed subsequent recapture on sale. On the other hand, rapid blighting since has further decreased property values. Today we find that significant markdowns may not be necessary. If some markdown is necessary, the city would be well served to absorb it and achieve improved housing conditions, visual and aesthetic improvement and blighted neighborhoods, and an improved tax base. Under the Federal Urban Renewal formula, the cities did absorb one-third of the markdown loss.

The second possibility is to have the assembly of land the responsibility of a private nonprofit community oriented organization. It would assemble land only—not build. Acquisition would start with options contingent upon successful assembly of adjacent parcels. Disposition could be through the local public agency, using the fixed price competitive concept approach—or the nonprofit group could do its own disposition—again on a fixed price competitive concept approach. The nonprofit corporation should be triggered by the downtown business community. It is entirely possible—with astute management—that the entire program of land acquisition could be achieved without any loss. If, on the other hand, some losses are sustained, they would indeed be small in contrast to the benefits of a successful program. Its staff could be small—probably a part-time professional and a secretary. Office space should be available in



one of the public spirited firms supporting the venture. City cooperation through its LPA is essential, i.e., its powers of condemnation, relocation of residents, etc. City tax deed lots should be acquired at a price which HUD is arriving at in its own disposition of vacant land. It is obviously better for the city to find itself with tax paying improvements on this city owned land than having it lie fallow, unattractive and nonproductive.

HUD-FHA Cooperation

It is obvious that HUD-FHA cooperation is also essential in this process—whether it be done by the local public agency or a nonprofit organization. HUD-FHA multifamily appraisal should be the basis for land value. They should be involved prior to acquisition in the reuse determination and the assurances received from them of their underwriting. A subsidized housing program may be necessary in some cases and we must presume the future availability of programs that will aid housing, either through the Federal Government or

State Housing Authorities—or both. A partnership between HUD-FHA, and the city must be ongoing and certain. Acquisition of land without certainty as to its reuse would be an obvious disaster.

Private-Nonprofit Approach

I would strongly favor the private nonprofit approach instead of that by a local public agency—simply because I believe we would avoid an unnecessary and costly bureaucratic structure. The part-time services of an astute, knowledgeable, real estate broker is all that is necessary in the optioning and subsequent acquisition of land. Responsibility will be to the board of directors, through its real estate acquisition committee. Overhead costs would be insignificant.

What may not have been possible in the '60s, is possible in most of our large cities in the '70s—the acquisition of blighted property—the reuse of the land—without a significant markdown. The Federal Government's action, in changing the nature of its urban renewal involvement,

may be coming at just the right time. Let's explore the possibilities. They exist in Milwaukee, Detroit, Des Moines, and probably in every large city with a decaying core area. If ever there was a time for civic boldness and imagination—it is now. ©



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lines&numbers

Mortgage Debt on U.S. Housing Totals \$303 Billion

Preliminary data from the 1971 Residential Finance Survey, based on information from the 1970 Census of Housing, indicates that Americans owed a total of \$303.3 billion in mortgage debt on non-farm homes in 1971. This represented an increase of 110 percent over the total mortgage debt of \$144.4 billion in 1960.

Some 61 percent of homeowner properties, 20.1 million, were mortgaged. The total debt for these properties was \$227 billion, an average of \$11,300 per property. In 1960, about 57 percent or 15.8 million homeowner properties were mortgaged for an outstanding debt of \$117.2 billion, an average of \$7,400 per property.

Federal insurance or guarantees covered some 37 percent of the first mortgages on homeowner properties—22 percent were HUD-FHA insured, and 15 percent were guaranteed by the Veterans Administration. Conventional mortgages accounted for 64 percent of the total. In 1960 the figures were 17 percent HUD-FHA, 22 percent VA, and 60 percent conventional.

Of the 31.1 million one-unit homeowner properties, about 19.1 million or 61 percent were mortgaged in 1971. The total debt on first mortgaged one-unit properties was \$211.9 billion, an average of \$11,100 per property. The 19.1 million first mortgages on one-family homes were held as follows: 39 percent by savings and loan associations; 16 percent by commercial banks; 14 percent by mutual savings banks; 10 percent by life insurance companies; and 7 percent by individuals.

The fact that the debt on non-farm housing more than doubled over the last decade is not surprising in view of our burgeoning economy and the resultant upgrading of the quality of life. Not only has the supply of housing increased at a faster rate than the population, but the number of homes with such amenities as central air conditioning, multiple baths, carports, etc., has increased dramatically, as has the number of second homes. The rapid acceleration in disposable income has resulted in greater capacity for savings that are available to be plowed back into the housing markets through thrift institutions in many instances, as well as through direct investment in rental properties. The prospects for future growth in housing depend on the continued expansion of the economy as reflected in ample supplies of mortgage money. A major dampening factor, which is not subject to some form of direct governmental action, is the growing shortage of lower priced land in metropolitan areas.

Mortgage Status and Outstanding Mortgage Debt by Type of Property: 1971

	Total	Homeowner Properties	Rental and Vacant Properties
Total Properties (millions)	40.7	33.2	7.5
Non-mortgaged properties	17.3	13.1	4.2
Total mortgaged properties	23.4	20.1	3.3
Outstanding debt on—(billions)			
Total mortgages amount	\$303.3	\$227.0	\$76.2
Average amount	\$13,000.0	\$11,300.0	\$23,100.0
Total first mortgages	\$296.6	\$223.6	\$73.0
Percent	100.0	100.0	100.0
HUD-FHA first mortgages	\$59.4	\$48.6	\$10.8
Percent	20.0	21.7	14.8
VA first mortgages	\$35.8	\$33.1	\$2.7
Percent	12.1	14.8	3.7
Conventional mortgages	\$201.4	\$141.9	\$59.5
Percent	67.9	63.5	81.5

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